



safe, clean, and affordable...
Transport for Development

The World Bank Group's
Transport Business Strategy 2008-2012



Contents

- Transport and development
- Transport Business Strategy
- Strategic directions 2008-2012
- Process adjustments
- Regional aspects
- Next Steps



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- Transport Business Strategy
- Strategic directions 2008-2012
- Process adjustments
- Regional aspects
- Next Steps



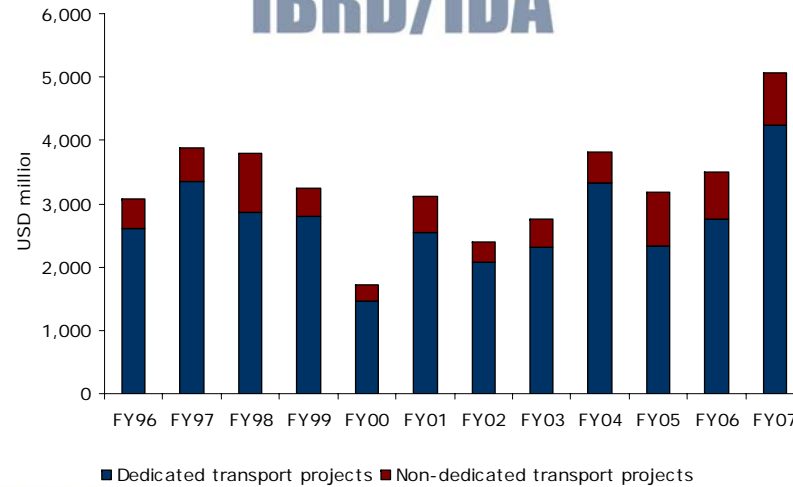
Facts sheet

- 1.2 billion of the world's poor still lack access to an all-weather road.
- Between 40 and 60 percent of people in developing countries live more than 8 km from a health care facility.
- Poor urban dwellers may spend up to 5 hours on daily commutes for lack of urban transport services.
- Every day, more than 3,000 people die from road traffic injuries with low and middle-income countries accounting for nearly 85 percent of the deaths and 90 percent of the injuries.
- Transport costs represent 9% of export values on average for developing countries, against 4% for developed economies.
- Transport accounts for 15% of global greenhouse gas emissions and is the fastest growing emissions sector.
- Over the next 20 years more cars may be built than in the entire 110-year industry history.

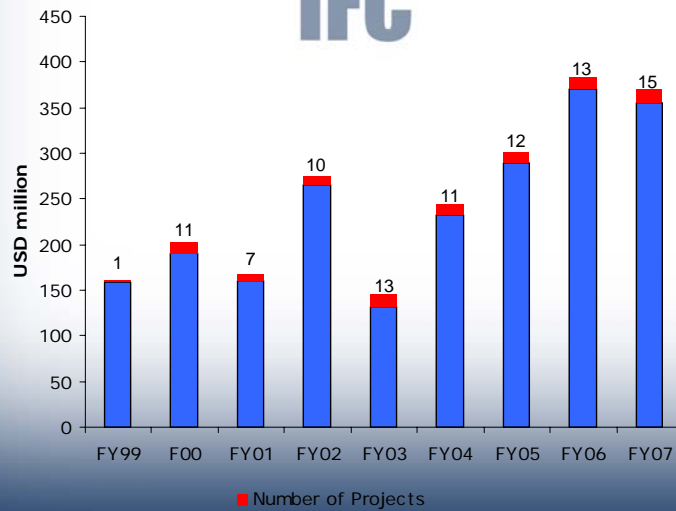


World Bank Group and transport

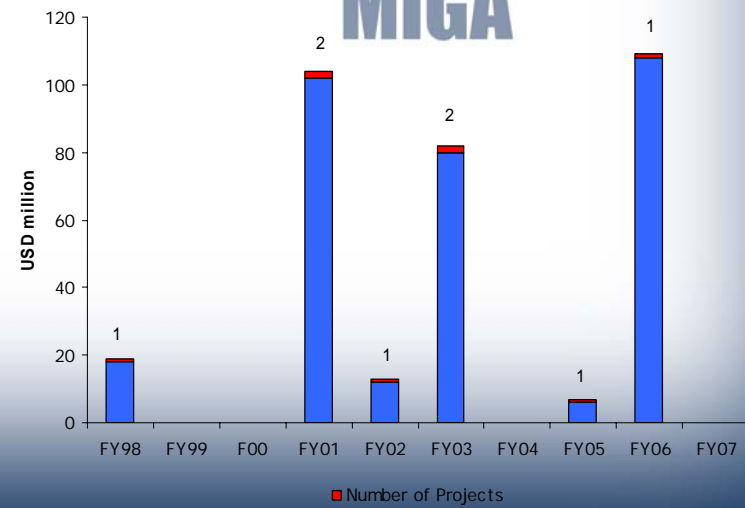
IBRD/IDA



IFC



MIGA





WBG strategic priorities and transport

Transport is a key ingredient for an inclusive and sustainable globalization:

- Help to overcome poverty and sustain growth in poorest countries: **access to jobs, markets, education and social services**
- Address special challenges of fragile states: **rural/urban integration, strengthening of social fabric, defusing seeds of conflict arising from isolation**
- Competitive development for MICs: **international logistics chains, safe and secure transport for trade**
- Regional and global public goods: **mitigation of transport impact on climate change, curbing HIV-AIDs dissemination, improving road safety**
- Advancing development in the Arab world: **fostering regional integration and access to foreign markets**
- Fostering knowledge and learning: **innovative PPPs, intelligent transport systems**



Transport supports development when it:



■ Facilitates international trade



■ Makes cities work better



■ Opens up rural economies



■ Gives access to health, education & social services



■ Is safe, clean and affordable





Contents

- Transport and development
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- Strategic directions 2008-2012
- Process adjustments
- Regional aspects
- Next Steps



Key drivers of the Business Strategy

Development Drivers

- MDG's
- Country 'ownership'
- Governance
- Focus on results
- Transport 'inclusion'

Global Trends

- Trade growth
- Urbanization
- Motorization
- Climate change
- Transport & health
- Increase private participation

Bank Strategies

- Africa Action Plan
- Infrastructure Action Plan
- Approach to MICs
- GAC Action Plan
- Gender Action Plan
- Proposed SFCC



2008-2012 Transport Business Strategy



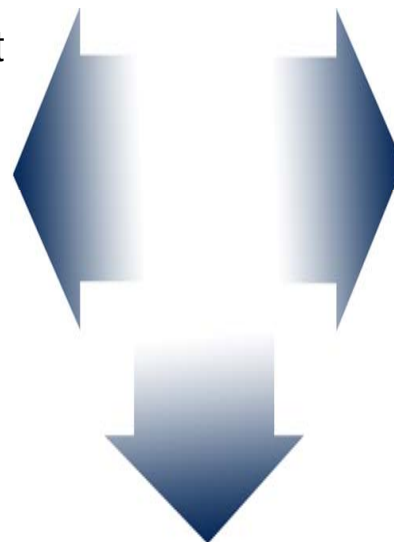
Transport Business Strategy 2008-2012

Strategic focus

- Wider developmental impact
- Deeper treatment of sustainability principles
- Extensive attention to governance
- Social inclusion and global impacts

Process adjustments

- Capturing Bank Group synergies
- SDN Integration
- Measuring results and sharing knowledge



Sustainability in transport: key policy issues

- | | |
|-------------------------------------|----------------------------------|
| ■ Public and private roles | ■ Inclusive transport policy |
| ■ Performance of SoEs | ■ Transport safety & security |
| ■ Preserving value of public assets | ■ HIV/AIDS transmission & health |
| ■ Transport pricing | ■ Emissions and climate change |
| ■ Private participation | ■ Governance and anti-corruption |
| ■ Competition and regulation | |



Contents

- Transport and development
- Transport Business Strategy
- **Strategic directions 2008-2012**
- Process adjustments
- Regional aspects
- Next Steps



1 Create the conditions for increased support for transport investment and governance

- To channel and catalyze more resources, from all development partners and the private sector, towards investments in transport assets, infrastructure and services
- The increase in lending will be matched by greater attention to governance, and strategies and policies necessary to meet the objective of sustainable transport: the Governance and Anti-Corruption action plan (GAC) will guide analytical work and country dialogue
- Institutional development will remain a core element of WBG support to the sector in all Regions

Greater attention to governance: GAC implementation in transport

- Government's role:
 - Policymaker
 - Custodian
 - Regulator
 - Customer
- Preserving value of public assets
- Fostering competition: strengthening regulation and market mechanisms
- Facilitating private sector participation
- Fighting corruption
- Making transport more inclusive



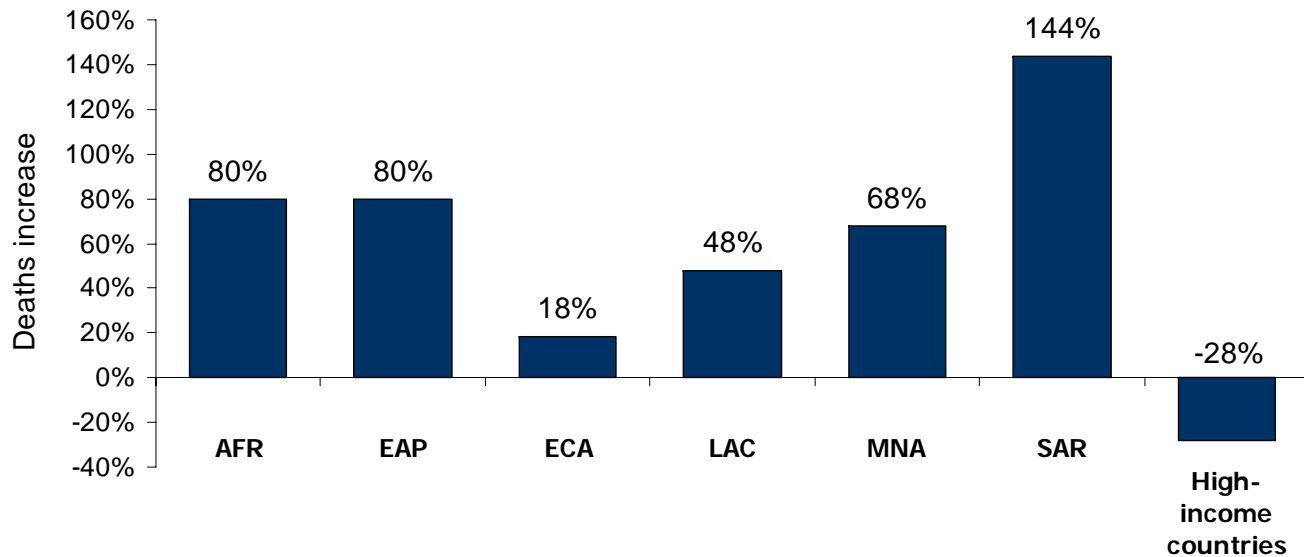


2 Deepen engagement in the roads and highways subsector

- The performance and affordability of freight and passenger road transport services that use road infrastructure
- The need to make roads safer for all their users, and for those non-users put at risk by them
- The implications of the high proportion of transport-related greenhouse gas emissions
- The transport-related transmission of HIV/AIDS through major road construction sites and new road corridors

Example: Make Roads Safer

(Changes in number of road accident deaths, 2000–2020)

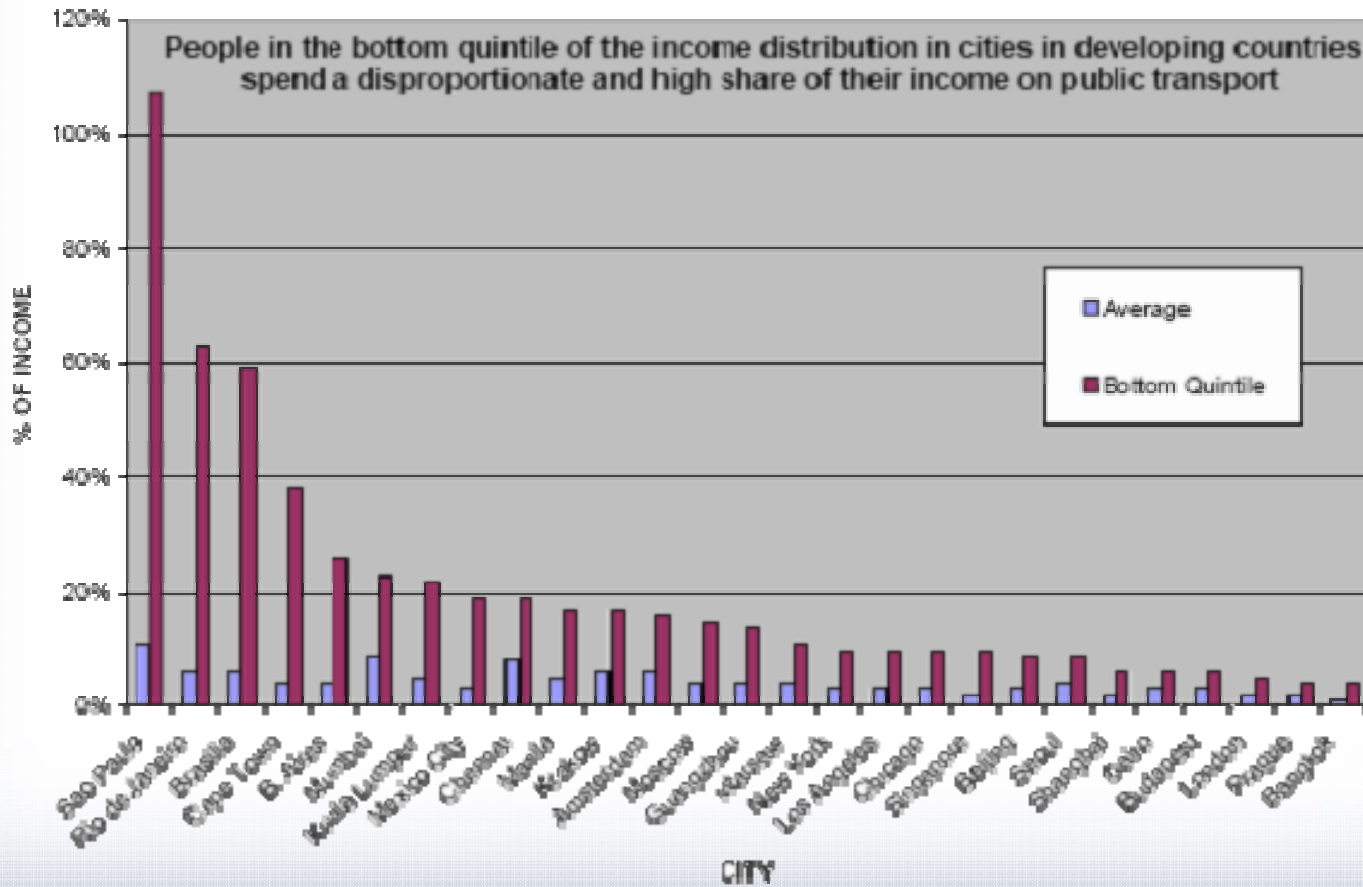




3 Increase engagement in the urban transport subsector

- To make cities more efficient and more livable, especially for the poor
- Increase investment in and efficiency of urban transport in general and public transport in particular
- Enhance coordination with Urban Development strategy
- Analytic and advisory services will support:
 - capacity and institution building in city transport governance
 - interaction of land-use and transport
 - mobilization of the private sector to deliver public services
 - private vehicle traffic/demand management
 - the needs of pedestrians and other non-motorized transport forms
 - financing of urban transport

Example: Affordability of Urban Public Transport





4 Diversify engagement in transport for trade

- Increasing support for public and private infrastructure to overcome physical or quality transport bottlenecks to trade in goods and services
- More diversified lending for investment in non-road transport infrastructure railways, ports, inland waterways, airports, to help develop multi-modal transport logistics chains for enhanced competitiveness
- Support transport and logistics strategies that address non-physical barriers: encourage greater private sector participation
- Develop regional transport projects particularly when these can help improve service and cost to landlocked countries
- Corridor approaches will be adopted for the diagnosis of needs and design of strategies for major trade routes

Example: Logistics Performance Indicators (LPI)

	LPI landlocked	Av. Rank/150	LPI coastal
High income	3.87	13	3.65
Europe & Central Asia	2.45	89	2.71
East Asia & Pacific	2.17	125	2.66
Latin America	2.44	89	2.58
Sub-Saharan Africa	2.23	121	2.40
South Asia	1.84	147	2.64

LPI 1 (Worst) to 5 (Best) scale = aggregate LP on several dimensions
 Source *The World Bank Connecting to Compete 2007*



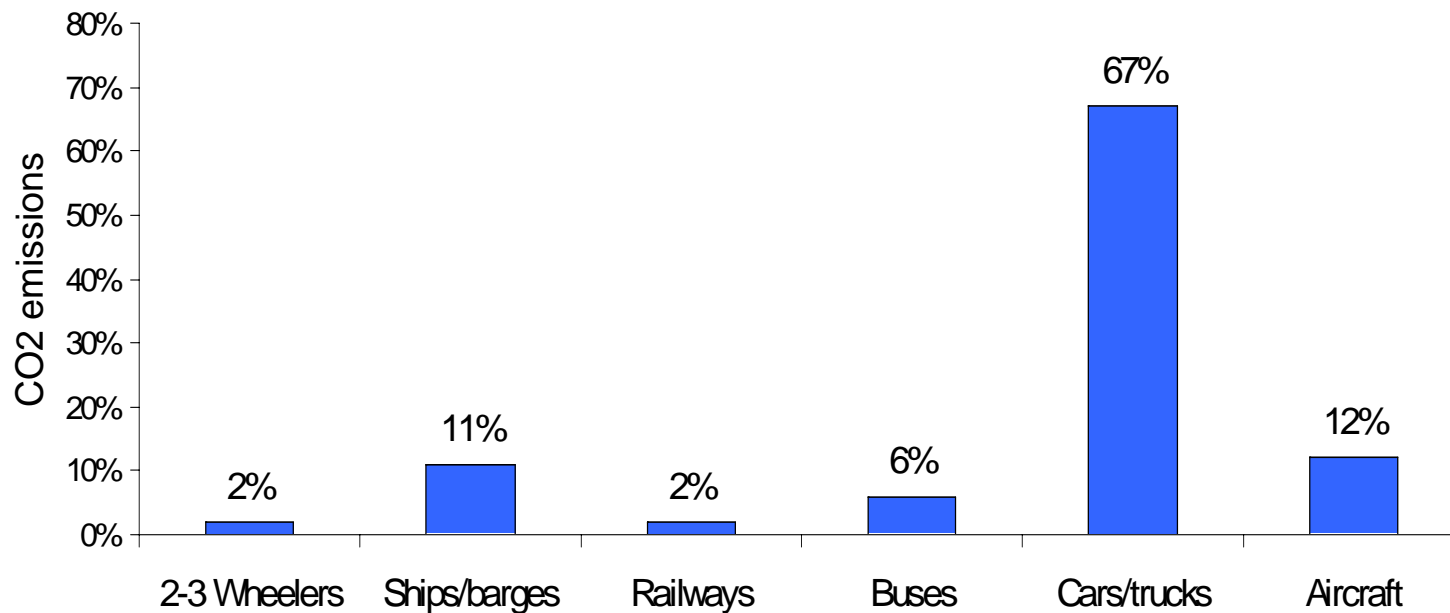
LLDC are the most severely constrained countries with highly unpredictable supply chains.



5 Transport and climate change: control emissions and mitigate impact

- Curbing greenhouse gas emissions through supply and policy-induced modal shift
- Mitigation of climate change impacts from transport services
- Adaptation to climate change in terms of infrastructure sustainability
- Support to adoption of carbon savings technology

Example: World transport CO2 emissions by vehicle type



Source: WBCSD-IEA/SMP 2004



Contents

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- Regional aspects
- Next Steps



Process adjustments

- **Process adjustment 1:** Increase the proportion of Bank transport lending made through program approaches
- **Process adjustment 2:** Enhance the quality of policy dialogue and sharing of transport knowledge
- **Process adjustment 3:** Improve monitoring and evaluation
- **Process adjustment 4:** Capture synergies across sectors and Bank Group instruments




Contents

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- Transport Business Strategy
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East Asia & Pacific

- High trade-led growth
 - Fast urbanization / motorization
 - Country diversity
 - High social externalities
 - Climate change impact
- 
- Transport capacity / efficiency
 - Regional integration
 - PPP financing
 - Road safety
 - Urban transport
 - Air quality



East Asia & Pacific

■ Vietnam: Rural Roads Project

- rehabilitated 7,600 kilometers of roads and 26 kilometers of bridges;
- improved accessibility to all-weather roads for about 16 million people and helped lift more than 200,000 people out of poverty;
- trained 14,000 staff in rural road maintenance;
- increased health facility visits, improved school attendance, and reduced rural-urban price differences.

■ China: Third National Rail Project

- met the growing demand for transport of people and goods between Guizhou and Yunnan provinces;
- reduced costs of international container transport between inland centers and ports;
- included analytical and advisory support services to apply modern track and catenary management technologies;
- included policy dialogue with the Ministry of Railways to attract external investment and on management of multiple operators in the railway industry.

■ Vietnam: Inland Waterways and Port Rehabilitation Project

- enhanced the capacity, efficiency, and safety of inland waterway transport in the Mekong Delta region, being the dominant transport mode for around 20 million people;
- improved the two main inland waterway routes, port infrastructure and management at Can Tho;
- provided better management of waterway operations and maintenance.



South Asia

- Rapid economic growth, reduction in poverty and improvement of human development indicators
 - Poor infrastructure a major deterrent to sustain rapid economic growth
 - Emerging development disparities between countries in the Region
 - Poor road safety and air quality record
 - Adverse effects of climate change
- Multimodal trade & transport facilitation
 - Expanding rural access
 - Fostering Private Sector Participation in Transport
 - Urban Transport and Railway Projects
 - Disaster Mitigation Measures

South Asia

■ Afghanistan: Emergency Transport Rehab Project

- connected over 1 million people in the northeast to the rest of the country;
- reduced average travel time between Kabul and Kunduz from 48 to 6 hours.

■ Bhutan: Rural Access Project

- connected 3,771 households to all-season roads;
- reduced travel time & transport costs by 75%;
- increased commerce in villages: 12 shops opened vs. 1;
- increased income from agricultural produce by 62 %;
- ensured that medical supplies and food rations are delivered to health units & schools; ensures that ambulances reach villages.

■ India: Highway Development Program

- developed modern highway system through the National Highway Development Program -- 1500 km of national highways developed;
- supported state-level highway improvement 7 000 km of state highways developed in nine states;
- reduced travel time through highway improvement (up to 33%).

■ Pakistan: National Trade Corridor Program, 2005-2007

- reduced the cost of trade by improving transport logistics infrastructure and services interconnecting all modes and providing connectivity for 80% of the population;
- had a major impact on trade and growth and brought the quality of transport services to international standards;
- reduced the cost of doing business in Pakistan, enhanced competitiveness, and accelerate industrialization.





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- Process adjustments
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- **Next steps**



Next steps

- **Dissemination of the Business Strategy**
- **Production of Operational Guidelines for Implementation:**
 - Comprehensive Economic Assessment of Transport Operations (FY09)
 - Freight Transport for Development (FY08-09)
 - Transport, Energy and Climate Change (FY08-09)
 - A Framework for Urban Transport Projects: Operational Guidance for World Bank Staff (FY08)
- **Implementation progress reporting**



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